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FISCAL IMPACT STATEMENT

LS 6193

BILL NUMBER: SB 588

NOTE PREPARED: Nov 4, 2010

BILL AMENDED:

SUBJECT: Charity Gaming.

FIRST AUTHOR: Sen. Hume

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Charity Game Night License Duration:* The bill requires that an annual charity game night license must specify the dates of the permitted events. It specifies that an annual charity game night event is considered to begin at noon of the calendar day specified on the license and end at 11:59 a.m. of the immediately following calendar day. It provides that facilities and locations may not be used for more than three annual charity game night events per calendar week. It provides that a particular annual charity game night event is attributed to the calendar week in which the event is considered to begin. It excludes annual charity game night events from the application of a statute prohibiting a location or facility to be rented for more than three calendar days for allowable events. It also specifies that the amount of the rent for facilities, locations, and personal property used for an annual charity game night event may not be based on the revenue generated from the event.

Charity Game Night Card Dealing: The bill allows patrons to deal the cards in card games conducted at a charity game night. (Current law allows patrons to deal only in euchre games.)

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Charity Game Night Card Dealing:* The bill allows a patron at a charity game night to deal cards in any type of card game without being considered a charity game night worker or operator under the charity gaming law. Current statute allows a charity game night patron to deal cards only in a euchre game. Otherwise, cards must be dealt by a charity game night worker or operator. The administrative impact on the Indiana Gaming Commission (IGC) due to this change is unknown. Any additional cost to the IGC due to this bill would be paid with revenue from the charity gaming excise tax and the charity gaming license fee.

Background Information - The annual charity game night license allows a bona fide civic, educational, political, religious, senior citizens, or veterans organization to conduct card games, dice games, roulette, spindle games, raffle drawings, and door prize drawings, and to sell pull-tabs, punchboards, and tip boards.

Annual renewal fees for charity gaming licenses (including the annual charity game night license) range from \$50 to \$26,000 depending on the adjusted gross revenue earned by an organization from charity gaming in the prior year. Adjusted gross revenue is the gross revenue minus the total of prizes, purchase prices for supplies, charity gaming license fees, advertising expenses, and \$200 per day for facility rent. The charity gaming excise tax is 10% of the price paid to a manufacturer or distributor by an organization for pull tabs, punchboards, and tip boards.

In FY 2010, the charity gaming excise tax generated about \$1.25 M and the charity gaming license fee generated about \$4.2 M. Revenue from these sources is distributed to the Charity Gaming Enforcement Fund. After (1) the costs of charity gaming administration are subtracted and (2) distributions are made to the License Control Division and the Gaming Control Division, revenue remaining in the Fund is distributed quarterly to the Build Indiana Fund.

Explanation of State Revenues: *Charity Game Night License Duration:* The bill changes the time frame for which a charity game night license applies. Currently, a charity game night license is good for three calendar days. The bill changes this time frame to three 24-hour periods running from noon one day to 11:59 a.m. the next day. Depending on the start time of charity game night events, an organization could potentially operate charity game nights under a charity game night license for roughly one-half day more under the bill than it could under current statute.

The longer operating period could potentially increase sales of pull tabs, punchboards, and tip boards and gross receipts earned by organizations conducting charity game nights. If the additional sales by such organizations don't displace spending on charity gaming events held by other organizations, the change in the bill could lead to an indeterminable increase in revenue from charity gaming license fees and the charity gaming excise tax.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Gaming Commission.

Local Agencies Affected:

Information Sources: Auditor of State, *Revenue Trial Balance*, FY 2010.

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